

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF WEST VIRGINIA**

In re)	
)	Chapter 11
FREEDOM INDUSTRIES, INC.)	
)	Case No. 2:14-bk-20017
Debtor.)	
)	
_____)	

**MONTHLY OPERATING REPORT
FOR JULY 2015**

B25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of West Virginia

In re: Freedom Industries, Inc.
Debtor

Case No. 2:14-bk-20017

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July-15

Date filed: 9/7/2015

Line of Business: Specialty Chemicals

NAISC Code: 325199

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY


Original Signature of Responsible Party

Mark Welch
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the Debtor)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED ANY SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B25C (Official Form 25C) (12/08)

	Yes	No
14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
---	--------------------------	-------------------------------------

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH, THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)
ACCURAL BASIS

TOTAL INCOME:

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month	\$ 253,498.71
Cash on Hand at End of Month	\$ 859,522.36

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL:	\$ 859,522.36
---	---------------

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.) - CASH BASIS NON-ACCRUAL

TOTAL EXPENSES: \$ 243,976.36

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT G - ACCURAL)	\$ (734,912.33)
EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C - CASH BASIS)	<u>\$ 243,976.36</u>
(Subtract Line C from Line B)	CASH PROFIT FOR THE MONTH \$ (978,888.69)

B25C (Official Form 25C) (12/08)

(Exhibit D)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS OCCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL PAYABLES: \$ 3,903,072.05

(Exhibit E)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN PAYMENT IS DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL RECEIVABLES: \$ 2,267,810.32

(Exhibit F)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?	51
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?	0

PROFESSIONAL FEES

BANKRUPTCY RELATED

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? <i>-APPLIED \$130,169 IN RETAINERS IN JUNE.</i>	\$ -
TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$ 2,351,830.53

NON - BANKRUPTCY RELATED

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?	\$ -
TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?	\$ -

B25C (Official Form 25C) (12/08)

Page 4

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

(\$000's Omitted)

	PROJECTED *	ACTUAL*	DIFFERENCE*
INCOME	\$ 17,142	\$ 20,231	\$ 3,089
EXPENSES	<u>\$ 18,107</u>	<u>\$ 20,299</u>	<u>\$ (2,192)</u>
CASH PROFIT	\$ (965)	\$ (68)	\$ 897

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ -
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	<u>\$ 300</u>
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ (300)

* For the period Jan 17, 2014 to June 30, 2014

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

(Exhibit G)

B25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of West Virginia

In re: Freedom Industries, Inc.
Debtor

Case No. 2:14-bk-20017

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July-15

Date filed: 9/7/2015

Line of Business: Specialty Chemicals

NAISC Code: 325199

EXHIBIT A - TAXES

NO PAST DUE TAX RETURNS OR PAST DUE POST PETITION TAX OBLIGATIONS TO REPORT

B25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of West Virginia

In re: Freedom Industries, Inc.
Debtor

Case No. 2:14-bk-20017

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July-15

Date filed: 9/7/2015

Line of Business: Specialty Chemicals

NAISC Code: 325199

EXHIBIT C - EXPENSES

<u>Item</u> ¹	<u>Amount</u>
Payroll and Payroll Taxes	\$ -
401 k	\$ -
Health Insurance	\$ -
Raw Materials	\$ -
Freight	\$ -
Leases	\$ -
Utilities	\$ 1,303.69
IRS CNIT Installment Payment	\$ -
Contract Labor	\$ -
Sales and Marketing	\$ -
R&M and Operational	\$ -
Insurance Environment & Liability	\$ -
Insurance Other	\$ -
ENVIRONMENTAL - Pietragallo	\$ -
ENVIRONMENTAL - Babst Calland	\$ -
ENVIRONMENTAL - CEC	\$ -
ENVIRONMENTAL - Waste Water Removal	\$ 70,510.51
ENVIRONMENTAL - Site Remediation Contractor	\$ 112,132.16
ENVIRONMENTAL - Remediation Plan Implementation	\$ 60,000.00
Morris Anderson CRO	\$ -
Morris Anderson	\$ -
McGuire Woods	\$ -
Barth & Thompson	\$ -
Frost Brown Todd	\$ -
Other Not Anticipated	\$ 30.00
US Trustee	\$ -
Claims Notice	\$ -
Total	<u>\$ 243,976.36</u>

B25C (Official Form 25C) (12/08)

Page 8

UNITED STATES BANKRUPTCY COURT

Southern District of West Virginia

In re: Freedom Industries, Inc.
Debtor

Case No. 2:14-bk-20017

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July-15

Date filed: 9/7/2015

Line of Business: Specialty Chemicals

NAISC Code: 325199

EXHIBIT D - PAYABLES

Post Petition Accounts Payable - Freedom Industries Inc.	\$ 3,903,072.05
Post Petition Accounts Payable - Etowah River Terminal LLC	\$ -
Post Petition Accounts Payable - Poca Blending LLC	\$ -
Post Petition Accounts Payable - Crete Technologies	\$ -
Total Post Petition Accounts Payable	\$ 3,903,072.05

Freedom Industries Inc.
Post Petition Summary Aged Payables
As of July 31 2015

Vendor	Current	0 - 10	11 - 60	Over 60 days	Amount Due
Allied Administrators	-	-	-	(97.38)	(97.38)
ARCADIS US, Inc.	-	30,162.42	41,527.74	187,822.21	259,512.37
Babst Calland	-	3,052.50	11,222.50	168,074.45	182,349.45
Baker Corp	10,186.54	-	-	-	10,186.54
Barth & Thompson	-	-	-	33,766.35	33,766.35
Brenntag Mid-South	-	-	-	-2,000.00	(2,000.00)
Charleston Sanitary Board	13,238.35	-	-	-	13,238.35
Chemical Sales & Consulting	-	-	-	-1,370.82	(1,370.82)
Civil & Environmental Consultants, Inc.	-	-	-	218,324.44	218,324.44
Coventry Health & Life	-	-	-	-2,443.88	(2,443.88)
Crown Products & Services	-	-	-	3,825.56	3,825.56
Diversified Services LLC	-	-	-	-	-
Enviro Tank Clean, Inc.	-	-	-	25,829.80	25,829.80
Enviromine, Inc.	-	-	-	1,090,567.68	1,090,567.68
Envirotech Services	-	-	-	9,060.00	9,060.00
FloMin Coal Inc.	-	-	-	216.00	216.00
Flaherty Sensabaugh	-	-	14,393.88	-	14,393.88
Frost Brown Todd, LLC	-	12,323.70	12,090.00	188,674.10	213,087.80
Hach Company	-	-	-	-3,520.00	(3,520.00)
Hood Container Corporation	-	-	-	-204.57	(204.57)
Liberty Tank Lines	-	-	-	479.02	479.02
McGuireWoods	-	61,987.95	63,866.96	1,286,298.52	1,412,153.43
MorrisAnderson & Associates, Ltd.	-	21,386.25	-	62,150.00	83,536.25
Occidental Chemical Corporation	-	-	-	1,014.03	1,014.03
Petroleum Products	-	-	-	-285.17	(285.17)
Pietragallo	-	191.40	280.60	262,374.17	262,846.17
SPSI	89,743.54	-	-	-	89,743.54
Tanklink Corp	-	-	-	-990.54	(990.54)
Terry Cline	-	-	-	-	-
Triumvirate Environmental Inc.	-	-	-	-2,646.25	(2,646.25)
US Waste Industries	-	-	-	-7,500.00	(7,500.00)
	113,168.43	129,104.22	143,381.68	3,517,417.72	3,903,072.05

B25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of West Virginia

In re: Freedom Industries, Inc.
Debtor

Case No. 2:14-bk-20017

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July-15

Date filed: 9/7/2015

Line of Business: Specialty Chemicals

NAISC Code: 325199

EXHIBIT E - RECEIVABLES

Accounts Receivable - Freedom Industries Inc.	\$ 2,263,864.72
Accounts Receivable - Etowah River Terminal LLC	\$ -
Accounts Receivable - Poca Blending LLC	\$ 3,945.60
Accounts Receivable - Crete Technologies	\$ -
Total Accounts Receivable	\$ 2,267,810.32

**Freedom Industries Inc.
Summary Aged Receivables
July 31, 2015**

Customer	Current	0-30	31-60	Over 60 days	Amount Due
A & G Coal Corporation				1,335.00	1,335.00
American Energy				13,066.11	13,066.11
Appalachian Mining & Reclamation				7,606.40	7,606.40
Brook Chem				14,764.20	14,764.20
Cemex				104,000.00	104,000.00
Cleanway Services				220.00	220.00
Crown Products & Services Inc				46,225.10	46,225.10
Crown Products & Services Inc				19,525.10	19,525.10
Diversified Services LLC				23,322.00	23,322.00
Dynamic Energy Inc.				2,912.49	2,912.49
EHK, LLC				7,442.99	7,442.99
Enviromine				24,632.25	24,632.25
Enviromine Alpha				36,092.31	36,092.31
Enviromine Cliff Natural Resources				76,707.30	76,707.30
Enviromine Consol				85,967.05	85,967.05
Enviromine ICG				54,576.13	54,576.13
Enviromine Patriot				668,697.84	668,697.84
Enviromine Patriot				291,993.71	291,993.71
Enviromine Wild Cat				2,068.00	2,068.00
Enviromine, Inc				476,462.15	476,462.15
Etowah River Terminal, LLC				17,610.50	17,610.50
Flomin Coal				47,711.40	47,711.40
James River Coal Company				8,679.48	8,679.48
Kanawha River Terminals				289.41	289.41
Liberty Tank Lines Inc				1,750.58	1,750.58
Licking River Resources				7,945.80	7,945.80
Lily Group Inc					
Nufac Mining Inc.				8,413.50	8,413.50
Ohio Valley Coal Company				25,651.50	25,651.50
Pioneer Fuel Corporation					
South Central Coal Indiana					
US Steel Corp Accts Payable Dept				38,572.14	38,572.14
Virginia Electric and Power Company				149,624.28	149,624.28
				2,263,864.72	2,263,864.72

Poca Blending LLC
Aged Receivables
July 31, 2015

Customer	0-30	31-60	61-90	Over 90 days	Amount Due
Flomin Coal				3,334.80	3,334.80
Flomin Coal				610.80	610.80
				3,945.60	3,945.60

B25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of West Virginia

In re: Freedom Industries, Inc.
Debtor

Case No. 2:14-bk-20017

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July-15

Date filed: 9/7/2015

Line of Business: Specialty Chemicals

NAISC Code: 325199

EXHIBIT F - BANK STATEMENTS

SEE ATTACHED BANK STATEMENTS

Freedom Industries Inc.
Account Reconciliation
As of June 30, 2015
Act 7901340294 - First Niagara Operating
Bank Statement Date: June 30, 2015

Beginning GL Balance		\$	250,000.00
Add: Cash Receipts			850,000.01
Less: Cash Disbursements			(243,976.36)
Add (Less) Other			
Ending GL Balance		\$	<u>856,023.65</u>
Ending Bank Balance		\$	856,023.65
Add back deposits in transit			
Total deposits in transit			
(Less) outstanding checks			
Total outstanding checks			<u>0.00</u>
Add (Less) Other			
Total other			<u>0.00</u>
Unreconciled difference			-
Ending GL Balance		\$	<u>856,023.65</u>

**FIRST
NIAGARA**Return Mail Services
PO Box 1237 South Windsor, CT 06074

AV 01 097426 03199B275 B**5DGT

FREEDOM INDUSTRIES
1788 SCARLETT DR
PITTSBURGH PA 15241-3143

Statement Date: July 31, 2015

Primary Account Number: xxxxxxxx0294

Customer Service
1-800-421-0004Automated Telephone Banking
1-800-439-8230

Customer.Service@fnfg.com

Customer Service - Bank by Mail
P.O. Box 527
Lockport, NY 14095-0527

097426 1/2

First Niagara Insurance Agency: The Value of Expert, Personal Service

First Niagara Insurance Agency is committed to helping you safeguard all that is valuable to you. We have relationships with many of the nation's leading insurance carriers. As a result, we can offer you coverage programs that are customized to your unique needs with competitive pricing.

INVESTMENTS AND INSURANCE:
• ARE NOT DEPOSITS • ARE NOT FDIC INSURED • ARE NOT GUARANTEED BY THE BANK
• ARE NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY • MAY GO DOWN IN VALUE

Risk management and insurance products are offered through First Niagara Risk Management, Inc., a wholly-owned subsidiary of First Niagara Bank, N.A., and a licensed insurance broker and agent.

To meet with an insurance representative
for a free quote, call 1-855-700-0201
or visit firstniagara.com

**BANK / BORROW / INVEST / PROTECT****SUMMARY OF ACCOUNTS**

Account	Account Type	Current Balance (\$)	Interest Rate (%)	APY (%)	Interest YTD (\$)
xxxxxxx0294	BIZ500 Checking	856,023.65			

BIZ500 Checking - xxxxxxxx0294

Statement from 06/23/15 Through 07/31/15

Account Summary

Beginning Balance (\$)	+	Deposits (\$)	+	Interest Paid (\$)	-	Withdrawals (\$)	-	Service Charge (\$)	=	Ending Balance (\$)
.00		1,100,000.01		.00		243,946.36		30.00		856,023.65

Transactions by Date

Posting Date	Transaction Description	Debit (-\$)	Credit (+\$)	Balance (\$)
06/23	Deposit		.00	.00
06/23	Deposit		.01	.01
06/24	Wire ORG: MCGUIREWOODS LLP IOLTA		250,000.00	250,000.01
07/07	Check Num 91	60,000.00		190,000.01
07/07	Check Num 92	42,222.77		147,777.24
07/22	Wire ORG: CHEMSTREAM HOLDINGS IN C		850,000.00	997,777.24
07/23	AEP APPALACHIAN BILL PAY	1,300.74		996,476.50
07/23	BILLMATRIX BILLPAYFEE	2.95		996,473.55
07/23	Check Num 95	35,513.17		960,960.38
07/23	Check Num 94	34,997.34		925,963.04
07/24	Check Num 93	69,909.39		856,053.65
07/31	Service Charge	30.00		856,023.65

Freedom Industries Inc.
Account Reconciliation
As of July 31, 2015
1019-01-00 - Huntington Bank Operating
Bank Statement Date: July 31, 2015

Beginning GL Balance		\$	3,498.71
Add: Cash Receipts			-
Less: Cash Disbursements			-
Add (Less) Other			
Ending GL Balance		\$	<u>3,498.71</u>
Ending Bank Balance		\$	3,498.71
Add back deposits in transit			
Total deposits in transit			
(Less) outstanding checks			
Total outstanding checks			<u>0.00</u>
Add (Less) Other			
Total other			<u>0.00</u>
Unreconciled difference			-
Ending GL Balance		\$	<u>3,498.71</u>

B25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of West Virginia

In re: Freedom Industries, Inc.
Debtor

Case No. 2:14-bk-20017

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July-15

Date filed: 9/7/2015

Line of Business: Specialty Chemicals

NAISC Code: 325199

EXHIBIT G -FINANCIAL STATEMENTS

SEE ATTACHED FINANCIAL STATEMENTS

Freedom Industries Consolidated
Balance Sheet
As of 6/30/15

ASSETS

Current Assets		
First Bank Operating Account	\$	0.00
Poca Sale Proceeds		0.00
Huntington Bank Professionals		0.00
First Bank Payroll Account		0.00
Huntington Bank Payroll		0.00
Huntington Bank DBA Poca Blend		0.00
Huntington Bank DBA Crete		0.00
Huntington Bank DBA Etowah		0.00
First Bank MM - ERT		0.00
First Bank MM - FI		0.00
First Niagara Operating		856,023.65
Huntington Bank Operating		3,498.71
First Bank Special Account		0.00
Accounts Receivable		2,263,864.72
Miscellaneous Accts Receivable		0.00
Inventory		0.00
Parts Inventory		0.00
Prepaid Insurance		0.00
Prepaid Workers Comp		0.00
Other Prepaid Expenses		0.00
Prepaid Federal Income Tax		0.00
Prepaid WV Income Tax		69,200.00
Container Deposits		0.00
Payroll Advances		0.00
Facility Rental 263 A Costs		0.00
Alpha Rebate - Disputed		0.00
NR EcoDrill		0.00
NR GEN		0.00
NR Etowah River Terminal		0.00
NR VP Chemical		0.00
NR Freedom West		0.00
NR Arch Coal		0.00
Payroll Clearing		0.00

9/7/2015 at 10:35 AM

Unaudited - For Management Purposes Only

Rent Receivable - Freedom Ind	0.00	
Total Current Assets		3,192,587.08
Property and Equipment		
Computer/Office Equipment	0.00	
Furniture & Fixtures	0.00	
Leasehold Improvements	0.00	
Machinery & Equipment	0.00	
Railroad Upgrades	0.00	
Vehicles	0.00	
Construction in Progress	0.00	
Goodwill - Crete Tech	0.00	
Tank Farm	0.00	
Upgrade of Pumping Systems	0.00	
Transport / Moving Equipment	0.00	
Office Building	25,000.00	
Building Improvements	137,543.15	
Office Equipment & Furnishings	0.00	
Communications Equipment	0.00	
Accum Dep: Computer/Office Eq	0.00	
Accum Dep: Furniture & Fixtur	0.00	
Accum Dep: Leasehold Improve	0.00	
Accum Dep: Machinery & Equip	0.00	
Accum Dep: Railroad Upgrades	0.00	
Accum Dep: Vehicles	0.00	
Accumulated Depreciation	0.00	
Accumulated Amortization	0.00	
Accum Depreciation-Tank Farm	0.00	
Accum Deprec-Pump Equip	0.00	
Accum Deprec-Transport Equip	0.00	
Accum Dep-Office Building	(21,229.97)	
Accum Dep-Furniture & Equip	0.00	
Accum Dep-Communication Equip	0.00	
Land	50,000.00	
Total Property and Equipment		191,313.18
Other Assets		
NR Dperfect	0.00	

9/7/2015 at 10:35 AM

Unaudited - For Management Purposes Only

NR Useful Solutions	0.00
NR Indigo Astoria	0.00
PB Receivable to Freedom	0.00
CT Receivable to Freedom	(0.00)
ERT Receivable to Freedom	0.00
Investment In Poca Blending	0.00
Investment in EnergyTech	20,000.00
Investment In Crete Tech	0.00

Total Other Assets 20,000.00

Total Assets \$ 3,403,900.26

LIABILITIES AND CAPITAL

Current Liabilities	
Accounts Payable Post Petition	3,903,072.05
Accounts Payable Pre-Petition	7,045,243.63
Settlement Reserve	1,100,000.00
Federal CNIT Payable	0.00
WV CNIT Payable	0.00
WV BFT Payable	0.00
Personal Property Tax Payable	0.00
Real Estate Tax Payable	0.00
Dividends Payable	0.00
Workers Comp Payable	0.00
Accrued Wages	0.00
Accrued Employee Leave	0.00
FICA & FTT Liability	0.00
Retirement Withheld	0.00
FUTA Liability	0.00
SUTA Liability	0.00
CO SIT Withheld	0.00
IL SIT withheld	0.00
IN SIT Withheld	0.00
IN County Tax Withheld	0.00
KY SIT withheld	0.00

9/7/2015 at 10:35 AM

Unaudited - For Management Purposes Only

OH SIT Withheld	0.00	
NC SIT Withheld	0.00	
PA SIT withheld	0.00	
PA County Tax Withheld	0.00	
VA SIT withheld	0.00	
WV SIT withheld	0.00	
Child Support Withheld	0.00	
Creditor Garnishments Withheld	0.00	
Accrued Interest	0.00	
Accrued Rent	0.00	
Accrued Legal and Accounting	0.00	
Other Accrued Expenses	0.00	
N/P- Loan from Freedom	0.00	
Line of Credit Payable	0.00	
Advances - Denny Farrell	0.00	
Advances - William Tis	0.00	
Note Payable - Blackwater	0.00	
Advances - Charles Herzing	0.00	
Note Payable - Ford Motor Co.	0.00	
Note Payable - First Bank	0.00	
Note Payable - Rosebud	0.00	
Note Payable - Capital Premium	0.00	
Note Payable	0.00	
Dividends Payable	0.00	
<hr/>		
Total Current Liabilities		12,048,315.68
Long-Term Liabilities		
Federal NCIT Payment Plan	0.00	
Accrued Interes FIT Plan	162,707.17	
WV State Tax Payment Plan	0.00	
PB Payable to Freedom	0.00	
CT Payable to Freedom	0.00	
ERT Payable to Freedom	0.00	
<hr/>		
Total Long-Term Liabilities		162,707.17
<hr/>		
Total Liabilities		12,211,022.85

Capital		
Denny Farrell	276,888.96	
Capital Contribution-D Farrell	0.00	
D Farrell Distributions	(565,271.77)	
Chip Herzing	340,672.53	
Capital Contribution-C Herzing	0.00	
C Herzing-Distributions	(666,890.79)	
Bill Tis	315,671.57	
Capital Contributions-B Tis	0.00	
B Tis - Distributions	(576,890.78)	
Guy Fluty	0.00	
Carl Kennedy	0.00	
Capital Stock	1,500.00	
Treasury Stock	(399,950.00)	
Beginning Balance Equity	0.00	
Retained Earnings	(2,781,512.54)	
Dividends Declared	0.00	
Beginning Capital - PB from FI	0.00	
Beginning Capital Account	0.00	
Additional Paid In Capital	7,962,011.67	
Net Income	<u>(12,713,351.44)</u>	
Total Capital		<u>(8,807,122.59)</u>
Total Liabilities & Capital		<u><u>\$ 3,403,900.26</u></u>
	\$	0.00

Freedom Industries Consolidated
Income Statement
For July 1, 2015 through July 31, 2015

	May 2015
Revenues	
Freeze	0.00
Dust Control	0.00
Flotation	0.00
Water Treatment	0.00
Concrete Sales	0.00
Raw Materials	0.00
Oil & Gas	0.00
Delivery Charges	0.00
Toll Blending	0.00
Field Service	0.00
Monitoring	0.00
Sales Discounts	0.00
Bad Debt Expense	0.00
Recoveries	0.00
Gain/Loss from Sale of Assets	0.00
Other Income	0.00
Rental Income	0.00
Misc Sales	0.00
	<hr/>
Total Revenues	0.00
	<hr/>
Cost of Sales	
Freeze	0.00
Dust Control	0.00
Flotation	0.00
Water Treatment	0.00
Concrete Sales	0.00
Raw Materials	0.00
Oil & Gas	0.00
Hauling & Delivery	0.00
Blending/Terminal Fees	0.00
Field Service	0.00
Monitoring	0.00

9/7/2015 at 10:35 AM

For Management Purposes Only

	May 2015
Inbound Freight	0.00
Product Application Systems	0.00
Purchase Discounts	0.00
CGS - Facility 263A	0.00
Inventory Adjustments	0.00
Total Cost of Sales	0.00
Gross Profit	0.00
Expenses	
Wages Admin	0.00
Wages Management	0.00
Wages Sales	0.00
Wages Service	0.00
Wages Production	0.00
Wages R&D	0.00
Annual Leave Expense	0.00
FICA Expense	0.00
FUTA Expense	0.00
SUTA Expense	0.00
Workers Comp	0.00
Medical Insurance	0.00
Supplemental Insurance	0.00
Retirement Match	0.00
Contract Labor	201,875.70
Uniforms	0.00
Professional Development	0.00
Meeting Expenses	0.00
Entertainment	0.00
Meals	0.00
Travel	0.00
Lodging	0.00
Accounting	0.00
Legal	0.00
Commissions	0.00
Rent Expense	0.00
Building Repairs & Maintenance	0.00
Computer Repairs	0.00
Equipment Repairs & Maintenance	0.00

9/7/2015 at 10:35 AM

For Management Purposes Only

	May 2015	
Equipment Rental	0.00	
Small Tools & Equipment	0.00	
Product Application Systems	0.00	
Electric	1,303.69	
Gas	0.00	
Water	0.00	
Telephone & Communications	0.00	
Cellular Service	0.00	
Sanitary	0.00	
Waste Pickup	153,944.51	
Advertising & Marketing	0.00	
Contributions	0.00	
Dues & Subscriptions	0.00	
Office Supplies	0.00	
Postage & Delivery	0.00	
Lab Supplies	0.00	
Miscellaneous Expenses	0.00	
Plant Supplies	0.00	
Key Man Life & Disability Ins	0.00	
Business and Liability Ins	0.00	
Automobile Insurance	0.00	
Loan Interest	0.00	
Finance Charges	30.00	
Bank Service Charges	0.00	
Consulting: Dperfect	0.00	
Consulting Fees	0.00	
Consulting: Useful Solutions	0.00	
Consulting: Indigo Astoria	0.00	
Consulting: Blackwater LLC	0.00	
Consulting: Skiles Technical	0.00	
Depreciation Expense	0.00	
Depreciation COGM	0.00	
Amortization Expense	0.00	
Uncategorized Expense	377,758.43	377,758.43
Federal CNIT Expense	0.00	
WV CNIT Expense	0.00	
WV BFT Expense	0.00	
WV Sales & Use Tax Expense	0.00	
Personal Property Tax Expense	0.00	
Real Estate Tax Expense	0.00	

9/7/2015 at 10:35 AM

For Management Purposes Only